

State of New Hampshire Banking Department

In re the Matter of:) Case No.: 07-041
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)
State of New Hampshire Banking) Order by Agreement
)
Department,)
)
and)
)
)
First Magnus Financial Corporation,)
)
Respondent(s))
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)

ORDER

Pursuant to an agreement by and between the Department and First Magnus Financial Corporation, incorporated herein, it is hereby,

ORDERED:

1. First Magnus Financial Corporation shall comply with all provisions of the agreement.

Entered this 27th day of July, 2007.

/S/
Peter C. Hildreth,
Bank Commissioner

Order by Agreement

AGREEMENT

AGREEMENT by and between the New Hampshire Banking Department (“the Department”) and First Magnus Financial Corporation (FMFC), with a principal place of business at 603 N Wilmot Rd, Tucson, AZ 85711.

WHEREAS, the Department enforces the provisions of RSA 397-A governing the requirements of licensure for mortgage brokers and through NH RSA 397-A: 2 governs compliance with federal law regarding mortgage transactions.

WHEREAS, the Department is in receipt of two advertisements whereby loan originators employed by FMFC solicited mortgage application referrals and promise \$250 gift cards at closing in return for said referrals.

WHEREAS, FMFC acknowledges that had any such transactions been completed they would have constituted offering referral fees in violation of the Real Estate Settlement Procedures Act, Regulation X, 24 C.F.R. § 3500.14(b) and thereby be a violation of New Hampshire law (RSA 397-A:17 I(l)).

WHEREAS, FMFC has represented that no such transactions have occurred and the Department has no evidence to dispute this assertion, the parties agree to the following settlement. FMFC has further taken steps to prevent similar advertisements in the future.

NOW THEREFORE, in consideration of the premises, representations, and agreements contained herein, the Department and IMH agrees as follows;

1. FMFC agrees that any violations of law pertaining to its mortgage brokering activities shall be grounds for further action being taken against it.

2. FMFC agrees that it will not deny the factual basis for this Agreement to which it has stipulated above and will not give conflicting statements about such facts or its involvement in the stipulated facts.
3. FMFC agrees to issue educational materials to all New Hampshire loan originators and branch managers pertaining to 24 C.F.R. §3500.14(b), which materials will include a copy of the prohibited advertisement and this consent agreement.
4. FMFC agrees to take such steps as are necessary to prevent such offerings being made in the future.
5. Upon development of information that such transactions have in fact occurred, FMFC agrees that it will immediately refund \$250 to the consumer for whom the referral was paid as FMFC acknowledges that this was an undisclosed cost of the loan for that consumer and simultaneously pay a fine of \$250 to the Department.
6. Violations of the Agreement shall constitute sufficient grounds for license denial, suspension or revocation or initiation of administrative action that may result in the imposition of fines for illegal activity as acknowledged above.
7. This Agreement may be amended or modified only by a written instrument signed by the parties.

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8. FMFC acknowledges that a public order reflecting the terms of this agreement will be entered after the agreement's execution by the Commissioner.

First Magnus Financial Corporation
By its officer, duly authorized:

Dated 7/20/2007

/S/
Douglas Lemke

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this 20 day of July, 2007, by Douglas Lemke of First Magnus Financial Corporation, 603 N Wilmot Rd, Tucson, AZ 85711, on behalf of the organization.

[ed: signature was properly notarized]
Notary Public / Justice of the Peace
My Commission Expires:

Recommended 7/23/07 by:

/S/
James Shepard, Staff Attorney
Consumer Credit Division

THE NEW HAMPSHIRE BANKING
DEPARTMENT, CONSUMER CREDIT
DIVISION

Dated 7/23/07

/S/
Peter C. Hildreth, Commissioner